



Student Loan Consolidation - If you have \$10,000 or more in student loan debt and have started student loan repayment or are in your grace period, you may qualify for the Federal Student Consolidation Loan. Consolidation can save you up to 52% a month and could possibly lower your interest rate to 2.25%. [For more information please click here](#)

May 25, 2003



Mulberry Executives Turn Up In Texas

By ANDREW MEADOWS
ameadows@tampatrib.com

hmmmm

TAMPA - Despite being part of one of the worst environmental legacies in Tampa Bay area history, three top Mulberry Corp. executives have landed on their feet at a similar fertilizer company in Texas.

And like Mulberry, the Pasadena-based Agrifos Fertilizer has a history of financial and environmental problems.

Bob Stewart, Mulberry's former chief operating officer, is pulling in a six-figure salary doing essentially the same job at Agrifos.

James Costello, Mulberry's former head of sales, makes \$160,000 at Agrifos with a car allowance and a signing bonus. And J. Leon Willis, who managed the Piney Point plant for Mulberry until early 2001, worked at Agrifos in 2002 and made \$175,000 a year plus perks.

When the trio left Mulberry, the state was left with a \$160 million cleanup on the banks of Tampa Bay after the company declared bankruptcy in 2001.

Yup... mining is good for FLA economy

The state now must dispose of more than 1.3 billion gallons of acidic wastewater and manage massive, slightly radioactive piles of gypsum, a byproduct of fertilizer production. Regulators must monitor the Piney Point site south of the Hillsborough-Manatee county line for the next 30 years.

"It's definitely a wake-up call for environmentalists and regulators in Texas," said Hillsborough County Commissioner Jan Platt, a Mulberry critic. "They need to make sure they don't get left holding the bag."

Agrifos formed in 1996 when a group of investors, led by Moroccan Farouk Chaouni, purchased the Mobil Oil Corp. mine in Nichols, which now is owned by IMC Agrico, a large fertilizer company. The Agrifos investors later purchased Mobil's processing plant in Pasadena.

Chaouni is a business associate of Judas Azuelos, a Moroccan who served as Mulberry's chairman before the company went under. Azuelos couldn't be reached for comment.

In May 2001, faced with a severe downturn in the world fertilizer market, Agrifos - like competitor Mulberry - filed for bankruptcy protection. After a long, complicated court process, Agrifos is set to emerge from Chapter 11.

Two months into its bankruptcy reorganization, Agrifos hired Costello, Mulberry's former chief salesman. Willis, Piney Point's former plant manager, followed in January 2002, and Bob Stewart, Mulberry's former chief operating officer, in January 2003.

Costello, Willis and Stewart, available because of Mulberry's demise, were hired for similar

positions within Agrifos.

Each was given a lucrative package, Agrifos bankruptcy documents show. Costello's \$160,000-a-year salary included a \$40,000 signing bonus, an \$800-a-month car allowance, incentive pay and undisclosed moving expenses.

Willis' \$175,000-a-year salary included a \$100,000 signing bonus, an \$800 car allowance and \$1,500 a month to commute from his home in Bradenton. He was asked to manage Agrifos' fertilizer plant on the Houston Ship Channel, a facility similar to Piney Point.

Willis left Agrifos in late December after Stewart was hired. Stewart makes \$180,000 a year, court records show. They offer no details of Stewart's compensation package.

A Lot Of Remorse

Stewart and Costello didn't return several phone calls to Agrifos' office.

Willis said he has regrets about the Piney Point problem, but he wasn't personally responsible. He said the company lived up to state regulations, but it just wasn't able to be profitable.

``There's a lot of remorse about Mulberry," said Willis, who now works as a chemical salesman in Bradenton. ``I don't think anyone in business likes to go out of business."

The three men have been unable to make Agrifos profitable. From September to February, the last month reported, Agrifos lost more than \$11 million, court documents show.

The company also has environmental issues.

Harris County (Texas) Pollution Control is expected to fine Agrifos for two instances of illegal air pollution. On Jan. 16, 2002, shortly after Willis was hired, Agrifos' plant released 1,900 pounds of sulfur dioxide into the air. An inspection of Agrifos' plant conducted two days later found a 2-inch hole in duct connecting pollution control equipment.

On Aug. 22, inspectors found a small hole in another duct, which released 150 pounds of sulfur dioxide, causing the evacuation of a nearby loading dock.

Bob Allen, a pollution technical director for Harris County, acknowledged the Agrifos plant has had emission violations over the past year. He said regulators treat all companies equally, but Agrifos does stick out.

Allen said he is concerned that insurance requirements in Texas for chemical companies won't cover a catastrophic event at Agrifos.

``Of course they're going to be in the back of my mind," Allen said.

Like Mulberry, Agrifos also has wastewater problems. Those occurred before Stewart, Willis and Costello arrived.

During Hurricane Allison in June 2001, a breach in a gypsum stack poured 15 million gallons of acidic water into the Houston Ship Channel. Gypsum is a byproduct of fertilizer production. The gypsum is stored in large piles that contain wastewater from the production process.

Although there was not a major fish kill, the incident is similar to a spill at Mulberry's plant that

dumped 54 million gallons of acidic water into the Alafia River. Stewart, Willis and Costello worked for Mulberry when the incident occurred.

That spill killed millions of fish. Mulberry was supposed to create estuaries, wetlands, a saltwater marsh, oyster beds and an artificial reef near the Alafia's confluence with Tampa Bay as part of a settlement with state environmental regulators.

The company filed for bankruptcy protection before anything was done.

Executives Aren't Liable

Jonathan Alden, an attorney for the Florida Department of Environmental Protection, said the state cannot go after former Mulberry executives for the mess left at Piney Point. The process, called "piercing the corporate veil," is a common problem for regulators seeking to pin liability on corporate executives. Corporations are set up to protect individuals from liability.

But state officials may get a tool to go after dishonest fertilizer executives.

A bill sponsored by state Rep. J.D. Alexander, R-Bartow, would make it a crime if fertilizer executives misrepresent financial statements to state regulators. Knowingly misstating such reports or gypsum stack closure costs could result in a \$50,000 fine and five years in prison.

In April 2000, Mulberry gave the state Department of Environmental Protection unaudited financial reports that said the company was in compliance with regulations. The company also said it had the money to uphold the environmental integrity of Piney Point, DEP records show.

Eight months later, Mulberry filed for bankruptcy.

Alexander's bill also would raise the tax on fertilizer companies to make sure there's money to pay for abandoned gypsum stacks. To finance the Mulberry cleanup, the state is expected to drain a \$147 million fund earmarked for mine reclamation. Almost \$40 million has been spent so far.

Alexander said he wants to make sure Mulberry doesn't happen again.

"We can't retroactively go after them," he said. "Anyone who sticks the state with a \$160 million bill is a criminal in my book, but unfortunately my book is not the law."

Researcher Buddy Jaudon contributed to this report. Reporter Andrew Meadows can be reached at (813) 259-8144.

This story can be found at: <http://www.tampatrib.com/News/MGAXO3UI4GD.html>

- [Go Back To The Story](#)